Leadership, Productivity and Value

Musings from forty years of experiences in the Defense Industry, OSD and the Navy

… including some with Admiral Rickover!

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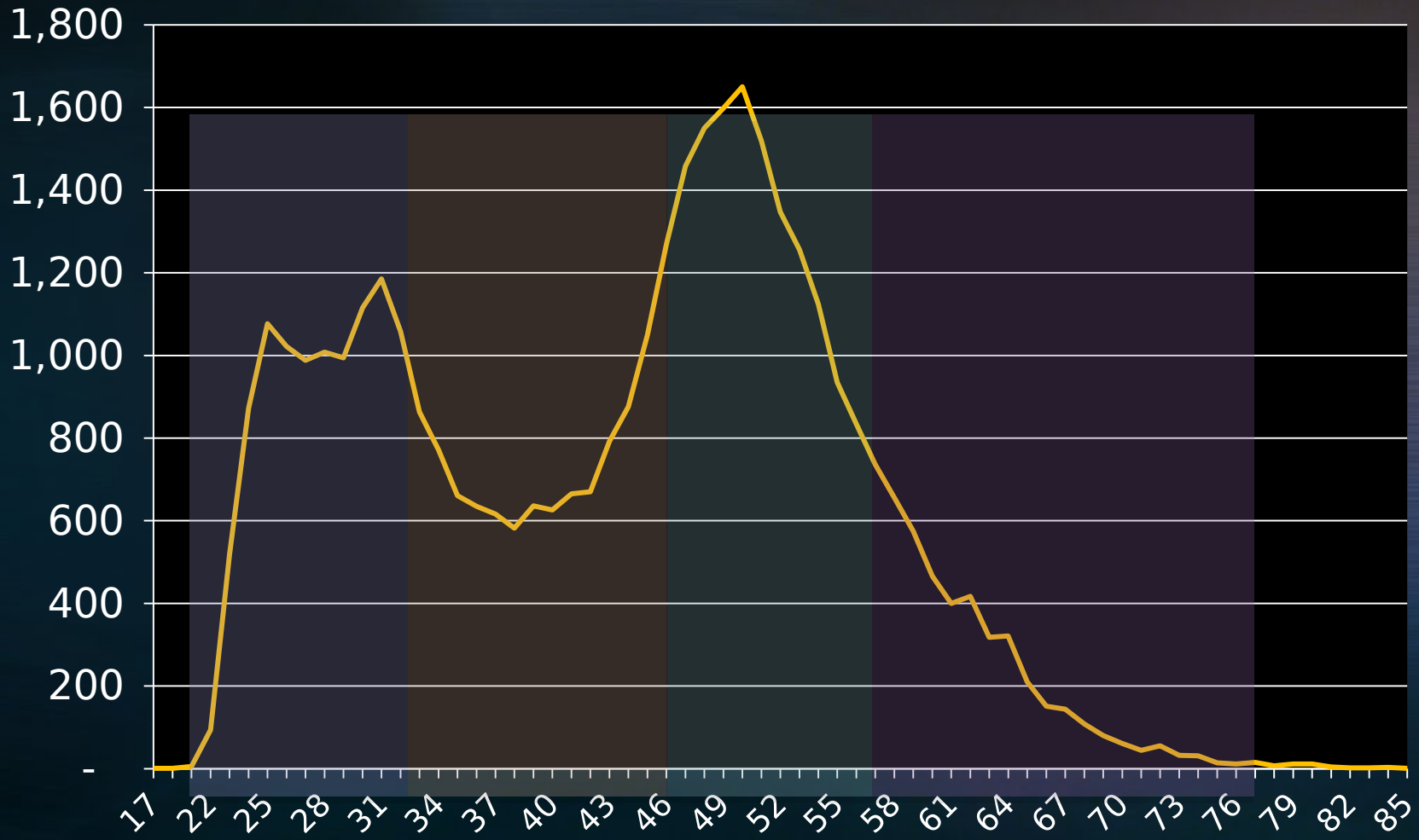
Workforce Challenge



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Leadership

- Adm Stephen Decatur (circa 1860):
  - Care for your Men
  - See that Each understands his Duties
  - Exact instant Obedience
  - Superintend Everything
  - Practice Daily with the Guns
- 21st Century Translation:
  - Care for your People
  - See that All understand their Duties
  - Discipline Promptly
  - Oversee Everything
  - Practice / Exercise / Challenge

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Leadership

- Rules to Live By
  - Do it Right
  - Use Good Judgment
  - Get the Job Done

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Productivity

- Doing it Right
  - Are you doing things right?
  - Are you working ethically?
  - Are you hiring people (potentially) smarter than you?
- Using Good Judgment
  - Are you doing the right things?
  - Do you have the right people in the right jobs?
  - Are there people in your organization who do NOT have common sense??
    - Are they taking more of your time than you can afford?
    - If so, can you move them to a more productive job?
- Getting the Job Done
  - Have you thought through what your people's jobs are?
  - Do your people understand the scope of their jobs?
  - Who can make decisions in your organization?
  - Who gets credit for success in your organization?
  - Have you delegated wisely?
  - Are you letting your people make mistakes in a controlled

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Productivity

- True or False: OSD exists to tell 4-Stars “NO!”
- True or False: Not making a decision IS making a decision!
- Measuring “Experience” versus the Definition of Insanity
- How do you encourage the generation of “scar tissue”?

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Value:

Doing More with Less

versus

Doing a Smarter LESS with Less?

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Value Engineering

- **<u>Value Engineering</u> -** *An organized effort directed at analyzing the functions of systems, equipment, facilities, services, and supplies for the purpose of achieving the essential functions at the lowest life-cycle cost consistent with required performance, reliability, quality, and safety*.
  from OMB Circular A-131

- **Application Areas:**
  - **Improve/streamline operations**
  - **Improve quality**
  - **Increase the use of environmentally-sound and energy-efficient practices and materials**
  - **Simplify logistics**
  - **Reduce maintenance**
  - **Increase availability**
  - **Improve durability**
  - **Reduce cost**

VE Application at Enterprise-wide/Program Level Achieves Cost Savings during Acquisition/O&S Phases

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DoD VE Strategic Plan

- Signed by PDUSD (AT&L)
- Principles of VE are important for reduction in total ownership cost
- Three Goals:

1. Improve the Value Proposition for Defense Systems

2. Align Industry and Government Value Propositions in Defense Systems

SAVINGS GOAL = 1.5% OF TOA ANNUALLY

VE Supports Better Buying Power Initiatives

Efficiency Initiative	Potential VE Contribution
Mandate affordability as a requirement	Critically examine the value of every requirement and specifications derived from it by comparing cost
Drive Productivity growth through "will cost / should cost "management	Improve what the product or service does in relation to the money spent on it as a systematic and creative approach for attaining ROI, VE.
Eliminate redundancy within warfighter portfolios	Aids in decisions through function analysis by achieving only the necessary functions at a minimum overall cost
Promote Real Competition: Remove obstacles to competition	In reprocurement, Government can provide technical data describing required functions of sole source components, enabling multiple companies to bid.
Incentivize Productivity and Innovation in Industry: Reward [illegible] chain and indirect expense management.	[illegible] share in the savings accrued if implemented.

Direct VE application to all five Efficiency Initiatives

Back Up

Leadership (backup)

1. **Do it Right**
   - **There are NO compromises here; Ethics is Paramount**
   - **If the rules are wrong, work to get the rules changed**
2. **Use Common Sense**
   - **I expect you to use your good judgment**
     - **I firmly believe that some people do not have common sense and this may limit their capability to perform in a leadership position**
3. **Get the Job Done – I have delegated to you all of the Authority and Responsibility you need to accomplish this**
   - **If you do not understand the scope of your roles and responsibilities, come see me**
   - **I will back you in every decision you make that is within your job scope**
     - **I take responsibility for all mistakes you may make in the performance of your job**
       - **I want you to make mistakes because this is how you learn effectively**
     - **If you make the same mistake multiple times, you are probably violating Rule #2**
       - **This will make me question your leadership ability**
   - **If there is a decision outside of your job scope that needs to be made, escalate it to me**

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